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Information

Fiscal Policy and Planning Committee

Update on the Proposed 2008-09 Governor's Budget

Executive Summary: This agenda item provides the salient points of the Commission's portion of the proposed 2008-09 Governor's Budget released by Governor Arnold Schwarzenegger on January 10, 2008.

Recommended Action: For information only

Presenter: Crista Hill, Division Director, Fiscal and Business Services Section

Strategic Plan Goal: 6

Maximize the effectiveness of the agency and its staff through the optimal use of technology, ongoing staff development and maintenance of a positive work environment.

- ◆ Communicate effectively to share information and increase productivity
- ◆ Conduct periodic review of the efficiency of the day-to-day operation and financial accountability of the Commission.
- ◆ Implement, monitor and report on the outcomes of new program initiatives

January-February 2008

Update on the Proposed 2008-09 Governor's Budget

Introduction

On January 10, 2008, Governor Arnold Schwarzenegger submitted to the Legislature his proposed budget for Fiscal Year (FY) 2008-09. This agenda item provides the salient points of the Commission on Teacher Credentialing's (Commission) portion of the Proposed FY 2008-09 Governor's Budget.

Background

As required by the State Constitution, the proposed FY 2008-09 Governor's Budget was released by Governor Schwarzenegger on Thursday, January 10, 2008. Overall the Commission's budget was sustained with adjustments for approved Budget Change Proposals submitted and proposed General Fund reductions. Provided on the next page is a brief summary of the proposed FY 2008-09 adjustments to the base budget for the Commission, as well as the Beginning Teacher Support Assessment Program (BTSA).

2008-09 Commission's Base Budget:

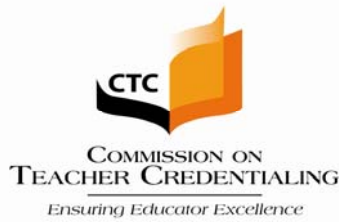
- ◆ **Daily Operations: \$20,505,000 (\$15,764,000 Teacher Credentials Fund, \$4,741,000 Test Development and Administration Account)**
- ◆ **Pass-thru Grants to Local Entities \$35,581,000 (General Fund)**
- ◆ **Total Authorized Positions: 167.9**

It has been reported that all state agencies must take a 10 percent reduction, however for **the Commission there are no proposed reductions in staffing or the daily operations funding.** The proposed reduction is to be targeted in the Local Assistance (pass-thru grants) programs (Intern, Paraprofessional and Assignment Monitoring) currently administered by the Commission.

It is important to note that the target of the 10 percent reductions is to deal with the proposed General Fund deficit. The Commission's daily operations are supported by funds from "special funds." The only General Fund funding the Commission receives is associated with Local Assistance (pass-thru grants) programs administered by the Commission.

During the Spring, legislative hearings will occur with both the Assembly and Senate budget subcommittees. There are still opportunities to adjust the 2008-09 proposed budget. As new information becomes available Commission staff will keep members of the Commission apprised.

To view the complete 2008-09 Budget Summary, please visit <http://www.ebudget.ca.gov/BudgetSummary/BSS/BSS.html>. If you would like additional detailed information regarding the Proposed 2008-09 Governor's Budget you can visit <http://www.ebudget.ca.gov/>.



2008-09 Proposed Budget Changes

1. **CALTIDES - 2.5 positions \$398,000 (Reimbursements)**
 - a. Continue the 2.5 positions and \$248,000 2nd year costs.
 - b. \$150,000 in one-time funding for the conversion project
2. **California Formative Assessment And Support System For Teachers (CFASST) – Continued Development, Research, And Revalidation - \$500,000 (Test Development and Administration Account)**
3. **Revert Certification Assignment and Waivers Division Position Transfer to Professional Services Division (4.0 positions)**
4. **Various other administrative related adjustments for both the current FY 2007-08 and FY 2008-09.**

General Fund Reductions

The Budget includes General Fund reductions of \$4.3 million in 2008-09 for the Commission. However, because the Commission's state operations are paid entirely from special fund revenues derived from the credentialing and examination fees paid by K-12 teachers, administrators and professional services personnel, **there are no administrative reductions for the Commission.**

The major budget balancing local assistance reductions include:

- ◆ A \$3.5 million reduction for the **Alternative Certification Program** - The impact of this reduction will be minimal due to lower-than anticipated program participation which has resulted in program savings in recent years.
- ◆ A \$855,000 reduction for the **Paraprofessional Teacher Training Program** - Similar to that of the Alternative Certification Program, the impact of this reduction will be minimal because the program has experienced savings in recent years.
- ◆ A \$34,000 reduction for the **Teacher Assignment Monitoring Program** - The impact of this reduction would result in reimbursements being reduced on the proportionate basis to conform to the available appropriation.

In addition, the budget includes a reduction for the BTSA program – co-administered with the Department of Education.

- ◆ A \$14.7 million reduction for the **BTSA Program** - The impact of this reduction could result in insufficient funds for second year teachers, because first year teachers have priority funding.

